

EXHIBIT A

BLOOD HURST & O' REARDON, LLP

WESTERN WASHINGTON LAW GROUP PLLC
 DENNIS J. MCGLOTHIN (#28177)
 ROBERT J. CADRANELL (41773)
 P.O. Box 468
 Snohomish, WA 98291
 Tel: 425/728-7296, ext. 4
 dennis@westwalaw.com
 robert@westwalaw.com
 docs@westwalaw.com

BLOOD HURST & O'REARDON, LLP
 TIMOTHY G. BLOOD (*pro hac vice*)
 THOMAS J. O'REARDON II (*pro hac vice*)
 PAULA R. BROWN (254142)
 501 West Broadway, Suite 1490
 San Diego, CA 92101
 Tel: 619/338-1100
 619/338-1101 (fax)
 tblood@bholaw.com
 toreardon@bholaw.com
 pbrown@bholaw.com

Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT
 EASTERN DISTRICT OF WASHINGTON**

ERIC BLOMQUIST, individually
 and on behalf of all others similarly
 situated; and JUN DAM,
 individually,

Plaintiff,

v.

PERKINS COIE LLP, a Washington
 limited liability partnership;
 PERKINS COIE CALIFORNIA,
 P.C., a California corporation;
 PERKINS COIE U.S., P.C.; and
 LOWELL NESS, individually,

Defendants.

Case No: 2:20-cv-00464-SAB

CLASS ACTION

**FIRST AMENDED CLASS ACTION
 COMPLAINT**

Chief Judge Stanley A. Bastian

Complaint Filed: December 16, 2020
 Trial Date: Not Yet Set

JURY TRIAL DEMANDED

Exhibit A

1 Plaintiff ERIC BLOMQUIST (“Plaintiff” or “Class Representative”) brings
 2 this action on behalf of himself, and all others similarly situated, and JUN DAM
 3 (collectively with Blomquist, “Plaintiffs”) bring this action individually against
 4 Defendants PERKINS COIE LLP; PERKINS COIE CALIFORNIA, P.C.,
 5 PERKINS COIE U.S., P.C. (collectively “Perkins”); and LOWELL NESS
 6 (“Ness”) (collectively with Perkins, “Defendants”). Plaintiffs allege on
 7 information and belief, except for information based on personal knowledge, as
 8 follows:

9 NATURE OF THE CASE

10 1. This class action seeks monetary relief to remedy Defendants’
 11 misappropriation of money that they agreed to hold in escrow and distribute in
 12 accordance with solicitation documents for an initial token offering in the
 13 cryptocurrency market.

14 JURISDICTION AND VENUE

15 2. This Court has original jurisdiction pursuant to 28 U.S.C.
 16 § 1332(d)(2). The matter in controversy, exclusive of interest and costs, exceeds
 17 the sum or value of \$5,000,000 and is a class action in which there are over 100
 18 class members, and many members of the class are citizens of a state different
 19 from Defendants.

20 3. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a) and
 21 (b) and 18 U.S.C. § 1965: The money that is the subject of this action was held
 22 and controlled by Perkins and related to a project located exclusively in this
 23 District; Perkins is authorized to, and regularly does, conduct business in this
 24 District, and Defendants have intentionally availed themselves of the laws and
 25 markets within this District, caused a substantial part of the harm within this
 26 District, and are subject to personal jurisdiction in this District.

Exhibit A

PARTIES

7. Defendant Perkins Coie LLP is a Washington professional limited liability partnership and headquartered in Seattle, Washington. It regularly

18-03197-FPC7 Doc 1033-1 Filed 10/19/23 Entered 10/19/23 15:35:34 Pg 4 of 41

1 conducts business in this District. Perkins Coie LLP is one of the largest law
2 firms in the United States.

3 8. Perkins Coie California, P.C. is a California professional
4 corporation and is registered as a foreign corporation authorized to transact
5 business in Washington. Perkins Coie California, P.C. is a subsidiary or affiliate
6 of Perkins Coie LLP.

7 9. Defendant Perkins Coie U.S., P.C. is a Washington professional
8 corporation and a subsidiary or affiliate of Perkins Coie LLP.

9 10. Defendant Lowell Ness resides in and is a citizen of California and
10 is identified by Perkins Coie LLP as a Perkins Coie LLP partner. According to
11 Perkins Coie LLP's webpage Ness is a "partner in [Perkins Coie LLP]'s
12 Corporate practice" and is a "core member of the Blockchain Technology and
13 Digital Currency industry group where he focuses part of his practice on assisting
14 Blockchain, Bitcoin and other cryptocurrency clients raise money." He is also
15 identified as a Perkins Coie LLP attorney on the California State Bar
16 Association's website.

17 FACTUAL ALLEGATIONS

18 11. Cryptocurrencies are digital currencies that have a recognized value.
19 There are a finite number of cryptocurrency units that are generated through
20 encryption techniques.

21 12. In addition, there is a recognized and accepted process by which
22 cryptocurrency-based transactions are recorded, verified, and approved based and
23 the transferors and transferees use pseudonyms when conducting and receiving
24 the transfers.

25 13. Because there is a finite number of units that have a recognized
26 value and a verified recording of transactions, cryptocurrency is a widely

Exhibit A

1 recognized and accepted medium of exchange to acquire or transfer value
2 between persons, firms, and entities. Examples include Bitcoin, Litecoin, Dash,
3 and Ethereum. Unlike fiat currency (such as U.S. dollars, Yen, or Euros),
4 cryptocurrencies are not issued or backed by a government. Instead, they are
5 released into circulation through a digital, decentralized process called “mining.”

6 14. Mining is a process by which a person, firm, or entity can acquire
7 new cryptocurrency units and increase the value of cryptocurrency that they and
8 other miners have previously acquired. Cryptocurrency miners must expend
9 money and resources to purchase or use computerized mining equipment and
10 acquire sufficient power to run the equipment. Cryptocurrency miners’ power and
11 equipment is then used to perform millions of simple but time and energy-
12 consuming computations to validate previous cryptocurrency transactions. In
13 return the miners earn units and other value for their efforts.

14 15. Continued cryptocurrency mining also increases the value of the
15 cryptocurrency. As the total number of remaining non-circulating units decreases,
16 the number of units a miner receives for the time and money it expends in mining
17 cryptocurrency also decreases. In addition, as more miners begin to mine, the
18 number of transactions a miner must validate also increases. This means each
19 miner must expend more time and money to earn a cryptocurrency unit or other
20 value. This, in turn, increases the value of each cryptocurrency unit a miner may
21 have previously acquired or acquires through current or future mining. Because
22 continuing and increased mining increases the value of cryptocurrency units, it
23 provides an incentive for miners to continue mining.

24 16. Cryptocurrency mining has become a multi-billion-dollar
25 technology-based industry and has created a demand for cryptocurrency
26 infrastructure and power to enable mining operations.

Exhibit A

17. To profit off the cryptocurrency mining demand for infrastructure and power, a Singaporean business entity, GigaWatt Pte., Ltd. ("GW Singapore), and its affiliate Giga Watt, Inc., a Washington corporation headquartered in Wenatchee, Washington (GW Washington) (hereafter GW Washington and GW Singapore will collectively be referred to as the "GW Entities"), proposed to create a cryptocurrency mining facility in this District (the "Giga Watt Project").

18. To finance and create the Giga Watt Project, the GW Entities solicited investors, including cryptocurrency miners, to prepurchase a "Token" that represented the right to access and use 1 watt of power and related infrastructure to conduct cryptocurrency mining operations in the Giga Watt Project that the GW Entities proposed to create and make operational.

19. The GW Entities' promotional materials and solicitations included circulating and disseminating a document to all prospective Token investors that is commonly called a "White Paper." The White Paper, which is attached hereto as Exhibit A, described the terms and conditions of the GW Entities' Initial Token Offering ("ITO").

20. The White Paper specifically stated that the money each person paid to prepurchase a Token or Tokens ("Token Holders") would "be deposited in escrow" and would only "be released from escrow in step with completion of the facilities." Exhibit A at 18. Specifically, the escrow agent would only disburse Token investment proceeds (i.e., the Token Holders' money) in the same proportion as the Giga Watt Project had been completed. In other words, if only 50% of the Giga Watt Project was completed, then the escrow agent was only permitted to disburse 50% of the Token investment proceeds to the GW Entities.

Exhibit A

21. One or more of the GW Entities contracted with one or more of the Perkins Defendants, through Ness, and one or more of the Perkins Defendants agreed to act as the escrow agent for the Token Holders and the GW Entities.

22. Certain officers, directors, managing agents, or shareholders of the GW Entities founded another Singaporean company, Cryptonomos Pte. Ltd. ("Cryptonomos"). The officers, directors, managing agents, or shareholders of the two GW Entities are also common to one another. In March 2017, Cryptonomos retained one or more of the Perkins Defendants and Ness to be its attorneys. In May 2017, just days before the launch of the ITO, GW Singapore retained one or more of the Defendants to be its attorneys. Cryptonomos worked extensively on the Giga Watt Project, structured the Giga Watt Project's ITO, ran the marketing campaign for the entire Giga Watt Project, managed the online platform exclusively used for Token Holders to prepurchase Tokens offered in the ITO, and was authorized to collect the Token investment proceeds for GW Singapore. Defendants represented Cryptonomos with respect to the Giga Watt Project and the ITO. The Giga Watt Project touted Perkins' involvement as an advisor and escrow agent for the ITO investment proceeds. Ness' photograph was on Cryptonomos' website. Indeed, Cryptonomos carried Perkins' name, and logo as well as Ness' photograph on its website with the caption, "Legal Consulting and Escrow. Internationally acclaimed law firm with vast experience in the field of blockchain and cryptocurrencies." The website states under Ness' photograph and next to the picture of a safe:

All funds raised through the WTT Token Launch are put in fiat escrow (funds received in cryptocurrencies are first converted into USD). Funds are released from escrow in batches only after the underlying capacities are built and relevant tokens are issued and distributed.

Exhibit A

26. As of August 4, 2017, four days after the ITO closed, Defendants held \$22,351,957.58 in Token investment proceeds, representing 20,154,783 Tokens presold to the public, for the benefit of the Token Holders and the GW Entities related to the Giga Watt Project. After making certain refunds to various Token Holders, Defendants eventually distributed all the Token investment proceeds to one or more of the GW Entities even though the Giga Watt Project had not been completed. Specifically, Defendants distributed four payments to GW Singapore totaling \$10.8 million and four payments to GW Washington totaling \$10,865,757.31.

18-03197-FPC7 Doc 1033-1 Filed 10/19/23 Entered 10/19/23 15:35:34 Pg 9 of 41

27. As of approximately January 2018, the Giga Watt Project was approximately 50% complete. The GW Entities then stopped constructing the Giga Watt Project and no higher percentage of completion was ever obtained.

28. Plaintiffs and the other Token Holders never discovered and could not have reasonably discovered that Defendants improperly distributed the Token investment proceeds until much later than February 2018, if at all.

CLASS ACTION ALLEGATIONS

29. Plaintiff Blomquist brings this case as a class action pursuant to Rules 23(b)(2), (b)(3), and (c)(4) of the Federal Rules of Civil Procedure. The proposed Class consists of:

All persons or entities who owned one or more Tokens on November 19, 2018.

Excluded from the Class are: (i) jurists and mediators who are or have presided over the Action, Plaintiff's Counsel and Defendants' Counsel, their employees, legal representatives, heirs, successors, assigns, or any members of their immediate families; (ii) Defendants and any of their subsidiaries, parents, affiliates, and officers, directors, partners, employees, legal representatives, heirs, successors, or assigns, or any members of their immediate family; (iii) GigaWatt Pte., Ltd., Cryptonomos Pte. Ltd., and Giga Watt Inc. and any of these entities' subsidiaries, parents, affiliates, and officers, directors, employees, partners, agents, legal representatives, heirs, successors, or assigns, or any members of their immediate families; and (iv) any persons or entities who timely and properly exclude themselves from the Class.

30. **Numerosity.** The members of the Class are so numerous that their individual joinder is impracticable. Plaintiff Blomquist is informed and believes,

Exhibit A

1 and on that basis alleges, that the proposed Class contains hundreds of members
2 from across the country and in foreign states.

3 31. ***Existence and Predominance of Common Questions of Law and***
4 ***Fact.*** Common questions of law and fact exist as to all Class Members and
5 predominate over any questions affecting only individual Class Members. All
6 Class Members have been subject to the same conduct and their claims arise
7 from the same legal claims. The common legal and factual questions include, but
8 are not limited to, the following:

- 9 (a) whether one or more Defendants breached their fiduciary
10 duty.
- 11 (b) whether one or more of the Perkins Defendants entered into
12 and then breached an expressed or implied agreement with
13 the Class to hold and distribute the Token investment
14 proceeds in accordance with the White Paper's terms and
15 conditions.
- 16 (c) whether the Class are third party beneficiaries of one or
17 more agreements between one or more of the "Perkins"
18 Agreements with the GW Entities and Cryptonomos" (as
19 hereafter defined) regarding holding the Token investment
20 proceeds in escrow and distributing the Token investment
21 proceeds strictly in accordance with the White Paper's
22 terms and conditions.
- 23 (d) whether one or more of the Perkins Defendants breached
24 the Perkins Agreements with the GW Entities and
25 Cryptonomos.

26 Exhibit A

BLOOD HURST & O' REARDON, LLP

1 (e) whether one or more of the Defendants are liable for
2 violating the Washington Consumer Protection Act.

3 (f) whether Defendants are liable for engaging in prohibited
4 practices contained in the Washington's Escrow Agent
5 Registration Act.

6 (g) whether Plaintiff Blomquist and the other members of the
7 Class are entitled to monetary relief, and the proper measure
8 of that monetary relief.

9 32. **Typicality.** Plaintiff Blomquist's claims are typical of the claims of
10 the other members of the Class in that he is a member of the Class because he
11 owned one or more Tokens on November 19, 2018, and is not a person or entity
12 excluded from the Class.

13 33. **Adequacy of Representation.** Plaintiff Blomquist will fairly and
14 adequately protect the interests of the other members of the Class. Plaintiff
15 Blomquist has retained counsel experienced in the prosecution of this type of
16 class action litigation. Plaintiff Blomquist has no adverse or antagonistic interests
17 to those of the other members of the Class.

18 34. **Superiority.** A class action is superior to all other available means
19 for the fair and efficient adjudication of this controversy. Individualized litigation
20 would increase the amount of litigation and create the danger of inconsistent or
21 contradictory judgments arising from the same set of facts. Individualized
22 litigation would also increase the delay and expense to all parties and the court
23 system from the issues raised by this action. The burden and expense that would
24 be entailed by individual litigation makes it impracticable or impossible for Class
25 Members to prosecute their claims individually. Further, the adjudication of this
26 action presents no unusual management difficulties.

Exhibit A

35. Unless a class is certified, Defendants may not fully compensate all the injured parties for the damages they suffered because one or more of the Defendants failed to disburse the Token investment proceeds they were holding in escrow in accordance with the White Paper's terms.

COUNT I

Breach of Fiduciary Duty

(Against All Defendants)

36. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

37. Defendants allowed the GW Entities, and their affiliate and agent Cryptonomos (that always acted within the scope of its actual or apparent authority) to use their names and images as well as the Perkins logo in the White Paper, the Cryptonomos website for the ITO, and other solicitation materials that GW Singapore used to solicit Token presales offered through the ITO.

38. Both prior to and after the GW Entities disseminated and circulated the White Paper, Defendants were aware that the GW Entities were going to use their names and images and the Perkins logo when soliciting Token presales through the ITO. They also understood that Defendants would be receiving Token investment proceeds paid by the Token Holders who pre-purchased Tokens through the ITO, that Defendants were to hold the Token investment proceeds in escrow and distribute the Token investment proceeds pursuant to the White Paper's terms and conditions, and that the Tokens were freely transferrable on the Secondary Market. Defendants, therefore, offered to hold the Token investment proceeds in escrow and distribute the Token investment proceeds in accordance with the White Papers' terms and conditions ("Perkins' Offer").

Exhibit A

39. The Token Holders accepted Perkins' Offer and the Token Holders reposed their trust and confidence in Defendants to hold and distribute the escrowed money in accordance with the White Paper's terms and conditions ("Token Holders' Acceptance").

40. Defendants owed the Token Holders a fiduciary duty to distribute the Token investment proceeds in accordance with the White Paper's terms and conditions.

41. Defendants breached their fiduciary duties to the Token Holders by distributing the Token investment proceeds to one or more of the GW Entities in a manner that was inconsistent with the White Paper's terms and conditions. They distributed all the Token investment proceeds to one or more of the GW Entities prior to the Giga Watt Project being completed and not in proportion to the Giga Watt Project's completion.

42. As a result of Defendants' breach of their fiduciary duties to Plaintiffs and the other members of the Class, they have been damaged in an amount to be determined at trial.

COUNT II

Breach of Express or Implied Agreement with the Token Holders

(Against Perkins)

43. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

44. Defendants formed an expressed or implied agreement with the Token Holders, including Plaintiffs and other members of the Class, when it made the Perkins Offer and when the Token Holders accepted the Perkins Offer when they gave the Token Holders' Acceptance ("Perkins Agreement with the Token Holders").

Exhibit A

45. Perkins reaffirmed and ratified its obligations under the Perkins Agreement with the Token Holders when it freely and voluntarily accepted the Token investment proceeds and placed the Token investment proceeds into a trust account that was controlled by Perkins.

46. Perkins breached the Perkins Agreement with the Token Holders when Perkins distributed all the Token investment proceeds to one or more of the GW Entities prior to the GW Entities completing the Giga Watt Project.

47. As a result of Perkins' breach of the Perkins Agreement with the Token Holders, including Plaintiffs and other members of the Class, Plaintiffs and the other members of the Class have been damaged in an amount to be determined at trial.

COUNT III

Breach of Agreements Perkins had with the GW Entities and Cryptonomos **(Against Perkins)**

48. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

49. Perkins entered into one or more agreements with one or more of the GW Entities and Cryptonomos that required Perkins to hold the Token investment proceeds in escrow and to distribute the Token investment proceeds in accordance with the White Paper's terms and conditions ("Perkins' Agreements with the GW Entities and Cryptonomos").

50. The Perkins' Agreements with the GW Entities and Cryptonomos were intended to benefit not only the contracting parties, but also the Token Holders, including Plaintiffs and the other members of the Class.

Exhibit A

52. As a result of Perkins breaching the Perkins' Agreements with the GW Entities and Cryptonomos, Plaintiffs and members of the Class, the intended third-party beneficiaries of those agreements, have been damaged in an amount to be determined at trial.

Defendants' Violation of Washington's Consumer Protection Act

53. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

54. The Washington Consumer Protection Act (the “WCPA”), RCW 19.86.020, provides that, “Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.”

55. Defendants' acts were controlled by Perkins' policies and procedures that govern all Defendants.

56. Defendants engaged in unlawful, unfair, or deceptive acts or practices through their conduct and the representations that Defendants allowed the GW Entities to make on Defendants' behalf in the White Paper, the Cryptonomos website, and other ITO solicitation materials.

57. Defendants facilitated and allowed the GW Entities and Cryptonomos to solicit Token presales by representing that the Token investment proceeds would be held in escrow by Defendants and distributed to the GW

18-03197-FPC7 Doc 1033-1 Filed 10/19/23 Entered 10/19/23 15:35:34 Pg 16 of 41

1 Entities only in the proportion that the GW Entities had completed the Giga Watt
2 Project.

3 58. Defendants then received the Token investment proceeds and held
4 themselves out as holding the Token investment proceeds in escrow and that they
5 would distribute the Token investment proceeds in accordance with the White
6 Paper's and the Cryptonomos website's terms and conditions.

7 59. Defendants then distributed the escrowed money inconsistent with
8 the White Paper's and the Cryptonomos website's terms and conditions and
9 began distributing the Token investment proceeds to one or more of the GW
10 Entities in a higher proportion than the Giga Watt Project had been completed.
11 Defendants continued to make distributions to one or more of the GW Entities
12 until all the Token investment proceeds had been distributed to one or more of
13 the GW Entities even though the Giga Watt Project was never completed.

14 60. Defendants made no effort to notify the Token Holders that they
15 intended to distribute or were distributing the Token investment proceeds in a
16 manner that was inconsistent with the White Paper's and Cryptonomos website's
17 terms and conditions.

18 61. Defendants' conduct, when considering the representations they
19 knew were made by the GW Entities and Cryptonomos, had the capacity to
20 deceive a substantial portion of the public because members of the public expect
21 and trust that attorneys and law firms that are regulated by a state bar association,
22 licensed to practice law, and exempt from registering as an escrow agent, will
23 only distribute monies that are entrusted to their care to be held in escrow will be
24 held and distributed in accordance with the applicable escrow instructions.

25 62. Defendants' unfair or deceptive acts occurred in the conduct of trade
26 or commerce (i.e., in connection with the marketing and presale of investment

Exhibit A

1 opportunities and in holding and distributing the investment monies that they
2 have agreed to hold in escrow).

3 63. Defendants' unfair or deceptive acts and practices concerning the
4 marketing and presale of Tokens during the ITO and in holding and distributing
5 the Token investment proceeds adversely affected the public interest because the
6 public relies on lawyers and law firms, especially law firms like Perkins that have
7 a reputation for being a long-time respected institution; and attorneys like Ness,
8 who is identified as a Perkins partner with an advertised reputation for dealings in
9 the cryptocurrency industry, to act consistent with the fiduciary duties they
10 undertake when acting as an escrow agent, to-wit: to handle money that is placed
11 in their capable hands in escrow to distribute that money in accordance with the
12 escrow instructions. The public's reliance is reasonable because law firms and
13 lawyers are regulated by a state bar association, they are licensed to practice law,
14 and are exempt from escrow agent registration and bonding requirements.

15 64. Members of the public other than the Token Holders have the
16 capacity to be just as deceived and injured as the Plaintiffs and other members of
17 the Class were in this case if Defendants act like they did toward the Token
18 Holders.

19 65. Plaintiffs and the other members of the Class have been injured as a
20 direct and proximate result of Perkins' and Ness' violations of the WCPA.

21 66. Plaintiffs and the other members of the Class have suffered and
22 incurred actual compensatory damages to be determined at trial that results
23 directly and proximately from Defendants' WCPA violations.

24 67. Plaintiffs and the other members of the Class are "persons" as
25 defined in RCW 19.86.010.

26 Exhibit A

68. Plaintiffs and the other members of the Class are entitled to remedy Defendants' WCPA violations.

69. Plaintiffs and the other members of the Class seek compensatory damages, statutory damages, exemplary damages, interest, and attorney's fees and costs as well as all other appropriate legal and equitable relief and remedies the WCPA allows.

COUNT V

Violation of Washington's Escrow Agent Registration Act RCW 18.44 ch.

(Against All Defendants)

73. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

74. Defendants were responsible for accepting the Token investment proceeds ("Perkins Escrow Defendants") and were an "Escrow Agent" as that term is defined in the Washington Escrow Agent Registration Act ("WEARA"), RCW 18.44.011(8).

75. Defendants all agreed the Token investment proceeds were to be held in "Escrow" as that term is defined in the WEARA, RCW 18.44.011(7).

76. Defendants knew the escrow instructions that controlled how they were to handle the Token investment proceeds were the instructions in the White Paper and on the Cryptonomos website.

77. Defendants that were not a Perkins Escrow Defendant were each a controlling person, officer, or designated officer for the Perkins Escrow Defendants' escrow business for this transaction, or other person subject to the WEARA.

78. RCW 18.44.301(2) prohibits Defendants from "[d]irectly or indirectly engag[ing] in any unfair or deceptive practices toward any person."

Exhibit A

BLOOD HURST & O' REARDON, LLP

79. For the reasons described in this First Amended Complaint, Defendants engaged in unfair or deceptive practices towards Plaintiffs and the other members of the Class.

80. Plaintiffs and the other members of the Class have suffered damages in an amount to be determined at trial, that was directly and proximately caused by the Perkins Escrow Defendants and Ness engaging in the unfair or deceptive practices alleged in this Complaint that were prohibited by the WEARA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief in interim orders and by way of entry of final judgment in their favor, in favor of those Plaintiff Blomquist seeks to represent, and against Defendants:

A. Declaring that this action is a proper class action, certifying the Class as requested herein, designating Plaintiff Blomquist as the Class Representative, and appointing the undersigned counsel as Class Counsel.

B. Ordering Defendants to pay actual damages to Plaintiffs and the Class Members.

C. Ordering Defendants to pay exemplary or punitive damages, as allowable by law, to Plaintiffs and the Class Members.

D. Ordering Defendants to pay statutory damages, as allowable by the statutes asserted herein, to Plaintiffs and the Class Members.

E. Ordering Defendants to pay attorneys' fees and litigation costs to Plaintiffs and the Class Members.

F. Ordering Defendants to pay both pre- and post-judgment interest on any amounts awarded.

G. Ordering such other and further equitable, injunctive, or legal relief as may be just and proper.

Exhibit A

BLOOD HURST & O' REARDON, LLP

BLOOD HURST & O' REARDON, LLP

JURY TRIAL DEMAND

Plaintiffs demand a trial by jury for all the claims asserted in this First Amended Complaint so triable.

Respectfully submitted,

Dated: September 13, 2023

WESTERN WASHINGTON LAW
GROUP PLLC
DENNIS J. MCGLOTHIN (#28177)
ROBERT J. CADRANELL (41773)

By: s/ Dennis J. McGlothlin
DENNIS J. MCGLOTHIN

P.O. Box 468
Snohomish, WA 98291
Tel: 425/728-7296, ext. 4
dennis@westwalaw.com
robert@westwalaw.com
docs@westwalaw.com

BLOOD HURST & O'REARDON, LLP
TIMOTHY G. BLOOD (*pro hac vice*)
THOMAS J. O'REARDON II
(*pro hac vice*)
PAULA R. BROWN (254142)
501 West Broadway, Suite 1490
San Diego, CA 92101
Tel: 619/338-1100
619/338-1101 (fax)
tblood@bholaw.com
toreardon@bholaw.com
pbrown@bholaw.com

Attorneys for Plaintiff

Exhibit A

BLOOD HURST & O' REARDON, LLP

WESTERN WASHINGTON LAW GROUP PLLC
 DENNIS J. MCGLOTHIN (#28177)
 ROBERT J. CADRANELL (41773)
 P.O. Box 468
 Snohomish, WA 98291
 Tel: 425/728-7296, ext. 4
 dennis@westwalaw.com
 robert@westwalaw.com
 docs@westwalaw.com

BLOOD HURST & O'REARDON, LLP
 TIMOTHY G. BLOOD (*pro hac vice*)
 THOMAS J. O'REARDON II (*pro hac vice*)
 PAULA R. BROWN (254142)
 501 West Broadway, Suite 1490
 San Diego, CA 92101
 Tel: 619/338-1100
 619/338-1101 (fax)
 tblood@bholaw.com
 toreardon@bholaw.com
 pbrown@bholaw.com

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF WASHINGTON

ERIC BLOMQUIST, individually
 and on behalf of all others similarly
 situated; and JUN DAM,
 individually,

Plaintiff,

v.

PERKINS COIE LLP, a Washington
 limited liability partnership;
 PERKINS COIE CALIFORNIA,
 P.C., a California corporation;
 PERKINS COIE U.S., P.C.; and
 LOWELL NESS, individually,

Defendants.

Case No: 2:20-cv-00464-SAB

CLASS ACTION

**FIRST AMENDED CLASS ACTION
 COMPLAINT**

Chief Judge Stanley A. Bastian

Complaint Filed: December 16, 2020
 Trial Date: Not Yet Set

JURY TRIAL DEMANDED

Perkins Coie I,
 P.C., and
 Perkins Coie
 California II, P.C.
 dropped; Perkins
 Coie US, P.C.
 added.

Mr. Blomquist is
 added. Jun Dam
 is suing
 individually.

Exhibit A

1 Plaintiff ERIC BLOMQUIST (“Plaintiff” or “Class Representative”) brings
 2 this action on behalf of himself, and all others similarly situated, and JUN DAM
 3 (collectively with Blomquist, “Plaintiffs”) bring this action individually against
 4 Defendants PERKINS COIE LLP; PERKINS COIE CALIFORNIA, P.C.,
 5 PERKINS COIE U.S., P.C. (collectively “Perkins”); and LOWELL NESS
 6 (“Ness”) (collectively with Perkins, “Defendants”). Plaintiffs allege on
 7 information and belief, except for information based on personal knowledge, as
 8 follows:

9 NATURE OF THE CASE

replaces
 "Defendant Perkins
 Coie, LLP

10 1. This class action seeks monetary relief to remedy Defendants’
 11 misappropriation of money that they agreed to hold in escrow and distribute in
 12 accordance with solicitation documents for an initial token offering in the
 13 cryptocurrency market.

14 JURISDICTION AND VENUE

15 2. This Court has original jurisdiction pursuant to 28 U.S.C.
 16 § 1332(d)(2). The matter in controversy, exclusive of interest and costs, exceeds
 17 the sum or value of \$5,000,000 and is a class action in which there are over 100
 18 class members, and many members of the class are citizens of a state different
 19 from Defendants.

20 3. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a) and
 21 (b) and 18 U.S.C. § 1965: The money that is the subject of this action was held
 22 and controlled by Perkins and related to a project located exclusively in this
 23 District; Perkins is authorized to, and regularly does, conduct business in this
 24 District, and Defendants have intentionally availed themselves of the laws and
 25 markets within this District, caused a substantial part of the harm within this
 26 District, and are subject to personal jurisdiction in this District.

Exhibit A

PARTIES

6. Plaintiff Jun Dam resides in and is a citizen of Puerto Rico. In 2017, Plaintiff pre-purchased “Tokens” through the “ITO” and in the “Secondary Market” (as hereafter described and defined). As a result of Defendants’ breaches of fiduciary duty in wrongfully distributing ITO funds, breach of contract, and the unfair or deceptive acts alleged herein, Plaintiff and the other members of the “Class” (as hereafter defined) suffered injury in fact and lost money or property.

Exhibit A

1 conducts business in this District. Perkins Coie LLP is one of the largest law
2 firms in the United States.

3 8. Perkins Coie California, P.C. is a California professional
4 corporation and is registered as a foreign corporation authorized to transact
5 business in Washington. Perkins Coie California, P.C. is a subsidiary or affiliate
6 of Perkins Coie LLP.

7 9. Defendant Perkins Coie U.S., P.C. is a Washington professional
8 corporation and a subsidiary or affiliate of Perkins Coie LLP.

9 10. Defendant Lowell Ness resides in and is a citizen of California and
10 is identified by Perkins Coie LLP as a Perkins Coie LLP partner. According to
11 Perkins Coie LLP's webpage Ness is a "partner in [Perkins Coie LLP]'s
12 Corporate practice" and is a "core member of the Blockchain Technology and
13 Digital Currency industry group where he focuses part of his practice on assisting
14 Blockchain, Bitcoin and other cryptocurrency clients raise money." He is also
15 identified as a Perkins Coie LLP attorney on the California State Bar
16 Association's website.

17 FACTUAL ALLEGATIONS

18 11. Cryptocurrencies are digital currencies that have a recognized value.
19 There are a finite number of cryptocurrency units that are generated through
20 encryption techniques.

21 12. In addition, there is a recognized and accepted process by which
22 cryptocurrency-based transactions are recorded, verified, and approved based and
23 the transferors and transferees use pseudonyms when conducting and receiving
24 the transfers.

25 13. Because there is a finite number of units that have a recognized
26 value and a verified recording of transactions, cryptocurrency is a widely

Exhibit A

1 recognized and accepted medium of exchange to acquire or transfer value
2 between persons, firms, and entities. Examples include Bitcoin, Litecoin, Dash,
3 and Ethereum. Unlike fiat currency (such as U.S. dollars, Yen, or Euros),
4 cryptocurrencies are not issued or backed by a government. Instead, they are
5 released into circulation through a digital, decentralized process called “mining.”

6 14. Mining is a process by which a person, firm, or entity can acquire
7 new cryptocurrency units and increase the value of cryptocurrency that they and
8 other miners have previously acquired. Cryptocurrency miners must expend
9 money and resources to purchase or use computerized mining equipment and
10 acquire sufficient power to run the equipment. Cryptocurrency miners’ power and
11 equipment is then used to perform millions of simple but time and energy-
12 consuming computations to validate previous cryptocurrency transactions. In
13 return the miners earn units and other value for their efforts.

14 15. Continued cryptocurrency mining also increases the value of the
15 cryptocurrency. As the total number of remaining non-circulating units decreases,
16 the number of units a miner receives for the time and money it expends in mining
17 cryptocurrency also decreases. In addition, as more miners begin to mine, the
18 number of transactions a miner must validate also increases. This means each
19 miner must expend more time and money to earn a cryptocurrency unit or other
20 value. This, in turn, increases the value of each cryptocurrency unit a miner may
21 have previously acquired or acquires through current or future mining. Because
22 continuing and increased mining increases the value of cryptocurrency units, it
23 provides an incentive for miners to continue mining.

24 16. Cryptocurrency mining has become a multi-billion-dollar
25 technology-based industry and has created a demand for cryptocurrency
26 infrastructure and power to enable mining operations.

Exhibit A

17. To profit off the cryptocurrency mining demand for infrastructure and power, a Singaporean business entity, GigaWatt Pte., Ltd. ("GW Singapore), and its affiliate Giga Watt, Inc., a Washington corporation headquartered in Wenatchee, Washington (GW Washington) (hereafter GW Washington and GW Singapore will collectively be referred to as the "GW Entities"), proposed to create a cryptocurrency mining facility in this District (the "Giga Watt Project").

18. To finance and create the Giga Watt Project, the GW Entities solicited investors, including cryptocurrency miners, to prepurchase a "Token" that represented the right to access and use 1 watt of power and related infrastructure to conduct cryptocurrency mining operations in the Giga Watt Project that the GW Entities proposed to create and make operational.

19. The GW Entities' promotional materials and solicitations included circulating and disseminating a document to all prospective Token investors that is commonly called a "White Paper." The White Paper, which is attached hereto as Exhibit A, described the terms and conditions of the GW Entities' Initial Token Offering ("ITO").

20. The White Paper specifically stated that the money each person paid to prepurchase a Token or Tokens ("Token Holders") would "be deposited in escrow" and would only "be released from escrow in step with completion of the facilities." Exhibit A at 18. Specifically, the escrow agent would only disburse Token investment proceeds (i.e., the Token Holders' money) in the same proportion as the Giga Watt Project had been completed. In other words, if only 50% of the Giga Watt Project was completed, then the escrow agent was only permitted to disburse 50% of the Token investment proceeds to the GW Entities.

Exhibit A

replaces "Perkins
Defendants and
Lowell

1 more of the GW Entities contracted with one or more of the
2 Perkins Defendants, through Ness, and one or more of the Perkins Defendants
3 agreed to act as the escrow agent for the Token Holders and the GW Entities.

4 22. Certain officers, directors, managing agents, or shareholders of the
5 GW Entities founded another Singaporean company, Cryptonomos Pte. Ltd.
6 ("Cryptonomos"). The officers, directors, managing agents, or shareholders of the
7 two GW Entities are also common to one another. In March 2017, Cryptonomos
8 retained one or more of the Perkins Defendants and Ness to be its attorneys. In
9 May 2017, just days before the launch of the ITO, GW Singapore retained one or
10 more of the Defendants to be its attorneys. Cryptonomos worked extensively on
11 the Giga Watt Project, structured the Giga Watt Project's ITO, ran the marketing
12 campaign for the entire Giga Watt Project, managed the online platform
13 exclusively used for Token Holders to prepurchase Tokens offered in the ITO,
14 and was authorized to collect the Token investment proceeds for GW Singapore.
15 Defendants represented Cryptonomos with respect to the Giga Watt Project and
16 the ITO. The Giga Watt Project touted Perkins' involvement as an advisor and
17 escrow agent for the ITO investment proceeds. Ness' photograph was on
18 Cryptonomos' website. Indeed, Cryptonomos carried Perkins' name, and logo as
19 well as Ness' photograph on its website with the caption, "Legal Consulting and
20 Escrow. Internationally acclaimed law firm with vast experience in the field of
21 blockchain and cryptocurrencies." The website states under Ness' photograph
22 and next to the picture of a safe:

replaces "Perkins
Coie, LLP's"

same as above

All funds raised through the WTT Token Launch
are put in fiat escrow (funds received
cryptocurrencies are first converted into USD,
Funds are released from escrow in batches only
after the underlying capacities are built and
relevant tokens are issued and distributed.

replaces "one or
more of the Perkins
Defendants and
Ness"

Exhibit A

23. Plaintiffs and other members of the Class pre-purchased Tokens through the ITO and they accepted the escrow terms and conditions offered in the White Paper.

24. Tokens were transferrable, and some Token Holders began to sell their Tokens to others after they pre-purchased Tokens through the ITO on a secondary market. Each Token that was purchased on a secondary market represented the value attributable to being able to access and use the infrastructure and 1 watt of power when the Giga Watt Project was completed, and the portion of the Token investment proceeds that were to have been held in escrow by Defendants for the uncompleted portion of the Giga Watt Project.

25. Plaintiffs and other members of the Class either pre-purchased Tokens through the ITO or purchased Tokens from Token Holders on a secondary market, or both. The GW Entities never completed the entire Giga Watt Project and Giga Watt Washington filed for United States Bankruptcy protection and a trustee was appointed to liquidate its assets.

26. As of August 4, 2017, four days after the ITO closed, Defendants held \$22,351,957.58 in Token investment proceeds, representing 20,154,783 Tokens presold to the public, for the benefit of the Token Holders and the GW Entities related to the Giga Watt Project. After making certain refunds to various Token Holders, Defendants eventually distributed all the Token investment proceeds to one or more of the GW Entities even though the Giga Watt Project had not been completed. Specifically, Defendants distributed four payments to GW Singapore totaling \$10.8 million and four payments to GW Washington totaling \$10,865,757.31.

replaces "one or more of the Perkins Defendants and Ness"

not capitalized

not capitalized and replaces the with "a"

replaces "one or more of the Perkins Defendants"

Exhibit A

27. As of approximately January 2018, the Giga Watt Project was approximately 50% complete. The GW Entities then stopped constructing the Giga Watt Project and no higher percentage of completion was ever obtained.

28. Plaintiffs and the other Token Holders never discovered and could not have reasonably discovered that Defendants improperly distributed the Token investment proceeds until much later than February 2018, if at all.

CLASS ACTION ALLEGATIONS

29. Plaintiff Blomquist brings this case as a class action pursuant to Rules 23(b)(2), (b)(3), and (c)(4) of the Federal Rules of Civil Procedure. The proposed Class consists of:

All persons or entities who owned one or more Tokens on November 19, 2018.

Excluded from the Class are: (i) jurists and mediators who are or have presided over the Action, Plaintiff's Counsel and Defendants' Counsel, their employees, legal representatives, heirs, successors, assigns, or any members of their immediate families; (ii) Defendants and any of their subsidiaries, parents, affiliates, and officers, directors, partners, employees, legal representatives, heirs, successors, or assigns, or any members of their immediate family; (iii) GigaWatt Pte., Ltd., Cryptonomos Pte. Ltd., and Giga Watt Inc. and any of these entities' subsidiaries, parents, affiliates, and officers, directors, employees, partners, agents, legal representatives, heirs, successors, or assigns, or any members of their immediate families; and (iv) any persons or entities who timely and properly exclude themselves from the Class.

30. **Numerosity.** The members of the Class are so numerous that their individual joinder is impracticable. Plaintiff Blomquist is informed and believes,

Exhibit A

replaces "Perkins and Ness"

Blomquist added

date changed from date complaint was filed, 12/16/20; this is the bankruptcy Petition Date.

rewritten

1 and on that basis alleges, that the proposed Class contains hundreds of members
2 from across the country and in foreign states.

3 31. ***Existence and Predominance of Common Questions of Law and***
4 ***Fact.*** Common questions of law and fact exist as to all Class Members and
5 predominate over any questions affecting only individual Class Members. All
6 Class Members have been subject to the same conduct and their claims arise
7 from the same legal claims. The common legal and factual questions include, but
8 are not limited to, the following:

- 9 (a) whether one or more Defendants breached their fiduciary
10 duty.
- 11 (b) whether one or more of the Perkins Defendants entered into
12 and then breached an expressed or implied agreement with
13 the Class to hold and distribute the Token investment
14 proceeds in accordance with the White Paper's terms and
15 conditions.
- 16 (c) whether the Class are third party beneficiaries of one or
17 more agreements between one or more of the "Perkins"
18 Agreements with the GW Entities and Cryptonomos" (as
19 hereafter defined) regarding holding the Token investment
20 proceeds in escrow and distributing the Token investment
21 proceeds strictly in accordance with the White Paper's
22 terms and conditions.
- 23 (d) whether one or more of the Perkins Defendants breached
24 the Perkins Agreements with the GW Entities and
25 Cryptonomos.

26 Exhibit A

BLOOD HURST & O' REARDON, LLP

1 (e) whether one or more of the Defendants are liable for
2 violating the Washington Consumer Protection Act.

3 (f) whether Defendants are liable for engaging in prohibited
4 practices contained in the Washington's Escrow Agent
5 Registration Act.

6 (g) whether Plaintiff Blomquist and the other members of the
7 Class are entitled to monetary relief, and the proper measure
8 of that monetary relief.

9 32. **Typicality.** Plaintiff Blomquist's claims are typical of the claims of
10 the other members of the Class in that he is a member of the Class because he
11 owned one or more Tokens on November 19, 2018, and is not a person or entity
12 excluded from the Class.

13 33. **Adequacy of Representation.** Plaintiff Blomquist will fairly and
14 adequately protect the interests of the other members of the Class. Plaintiff
15 Blomquist has retained counsel experienced in the prosecution of this type of
16 class action litigation. Plaintiff Blomquist has no adverse or antagonistic interests
17 to those of the other members of the Class.

18 34. **Superiority.** A class action is superior to all other available means
19 for the fair and efficient adjudication of this controversy. Individualized litigation
20 would increase the amount of litigation and create the danger of inconsistent or
21 contradictory judgments arising from the same set of facts. Individualized
22 litigation would also increase the delay and expense to all parties and the court
23 system from the issues raised by this action. The burden and expense that would
24 be entailed by individual litigation makes it impracticable or impossible for Class
25 Members to prosecute their claims individually. Further, the adjudication of this
26 action presents no unusual management difficulties.

Exhibit A

35. Unless a class is certified, Defendants may not fully compensate all the injured parties for the damages they suffered because one or more of the Defendants failed to disburse the Token investment proceeds they were holding in escrow in accordance with the White Paper's terms.

COUNT I

Breach of Fiduciary Duty

(Against All Defendants)

36. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

37. Defendants allowed the GW Entities, and their affiliate and agent Cryptonomos (that always acted within the scope of its actual or apparent authority) to use their names and images as well as the Perkins logo in the White Paper, the Cryptonomos website for the ITO, and other solicitation materials that GW Singapore used to solicit Token presales offered through the ITO.

38. Both prior to and after the GW Entities disseminated and circulated the White Paper, Defendants were aware that the GW Entities were going to use their names and images and the Perkins logo when soliciting Token presales through the ITO. They also understood that Defendants would be receiving Token investment proceeds paid by the Token Holders who pre-purchased Tokens through the ITO, that Defendants were to hold the Token investment proceeds in escrow and distribute the Token investment proceeds pursuant to the White Paper's terms and conditions, and that the Tokens were freely transferrable on the Secondary Market. Defendants, therefore, offered to hold the Token investment proceeds in escrow and distribute the Token investment proceeds in accordance with the White Papers' terms and conditions ("Perkins' Offer").

Exhibit A

replaces "Perkins
and Ness"

replaces "Perkins
Coie, LLP"

replaces "one or
more of the Perkins
Defendants"

BLOOD HURST & O' REARDON, LLP

omits "and Ness's"

39. The Token Holders accepted Perkins' Offer and the Token Holders reposed their trust and confidence in Defendants to hold and distribute the escrowed money in accordance with the White Paper's terms and conditions ("Token Holders' Acceptance").

40. Defendants owed the Token Holders a fiduciary duty to distribute the Token investment proceeds in accordance with the White Paper's terms and conditions.

41. Defendants breached their fiduciary duties to the Token Holders by distributing the Token investment proceeds to one or more of the GW Entities in a manner that was inconsistent with the White Paper's terms and conditions. They distributed all the Token investment proceeds to one or more of the GW Entities prior to the Giga Watt Project being completed and not in proportion to the Giga Watt Project's completion.

42. As a result of Defendants' breach of their fiduciary duties to Plaintiffs and the other members of the Class, they have been damaged in an amount to be determined at trial.

COUNT II

replaces "One or more of the Perkins Defendants"

replaces "Perkins and Ness"

Express or Implied Agreement with the Token Holders (Against Perkins)

43. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

44. Defendants formed an expressed or implied agreement with the Token Holders, including Plaintiffs and other members of the Class, when it made the Perkins Offer and when the Token Holders accepted the Perkins Offer when they gave the Token Holders' Acceptance ("Perkins Agreement with the Token Holders").

Exhibit A

45. Perkins reaffirmed and ratified its obligations under the Perkins Agreement with the Token Holders when it freely and voluntarily accepted the Token investment proceeds and placed the Token investment proceeds into a trust account that was controlled by Perkins.

46. Perkins breached the Perkins Agreement with the Token Holders when Perkins distributed all the Token investment proceeds to one or more of the GW Entities prior to the GW Entities completing the Giga Watt Project.

47. As a result of Perkins' breach of the Perkins Agreement with the Token Holders, including Plaintiffs and other members of the Class, Plaintiffs and the other members of the Class have been damaged in an amount to be determined at trial.

Breach of Agree

UNIT III

with the C

(Against Perkins

ryptonomos

48. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

49. Perkins entered into one or more agreements with one or more of the GW Entities and Cryptonomos that required Perkins to hold the Token investment proceeds in escrow and to distribute the Token investment proceeds in accordance with the White Paper's terms and conditions ("Perkins' Agreements with the GW Entities and Cryptonomos").

50. The Perkins' Agreements with the GW Entities and Cryptonomos were intended to benefit not only the contracting parties, but also the Token Holders, including Plaintiffs and the other members of the Class.

Exhibit A

replaces "one or
more of the Perkins
Defendants"

replaces "Perkins
Defendants"

51. Perkins' s' Agreements with the GW Entities and
Cryptonomos when they distributed all the Token investment proceeds to one or
more of the GW Entities prior to the Giga Watt Project being completed.

52. As a result of Perkins breaching the Perkins' Agreements with the
GW Entities and Cryptonomos, Plaintiffs and members of the Class, the
intended third-party beneficiaries of those agreements, have been damaged in an
amount to be determined at trial.

replaces "Perkins
and Ness"

COUNT IV

Defendants' Violation of Washington's Consumer Protection Act (Against All Defendants)

53. Plaintiffs incorporate by reference and reallege the allegations
elsewhere in this First Amended Complaint as if fully set forth herein.

54. The Washington Consumer Protection Act (the "WCPA"), RCW
19.86.020, provides that, "Unfair methods of competition and unfair or deceptive
acts or practices in the conduct of any trade or commerce are hereby declared
unlawful."

replaces "Perkins
Coie, LLP"

55. Defendants' acts were controlled by Perkins' policies and
procedures that govern all Defendants.

56. Defendants engaged in unlawful, unfair, or deceptive acts or
practices through their conduct and the representations that Defendants allowed
the GW Entities to make on Defendants' behalf in the White Paper, the
Cryptonomos website, and other ITO solicitation materials.

57. Defendants facilitated and allowed the GW Entities and
Cryptonomos to solicit Token presales by representing that the Token investment
proceeds would be held in escrow by Defendants and distributed to the GW

Exhibit A

BLOOD HURST & O' REARDON, LLP

replaces "Perkins
and Ness"

Entities only in the proportion that the GW Entities had completed the Giga Watt Project.

58. Defendants then received the Token investment proceeds and held themselves out as holding the Token investment proceeds in escrow and that they would distribute the Token investment proceeds in accordance with the White Paper's and the Cryptonomos website's terms and conditions.

59. Defendants then distributed the escrowed money inconsistent with the White Paper's and the Cryptonomos website's terms and conditions and began distributing the Token investment proceeds to one or more of the GW Entities in a higher proportion than the Giga Watt Project had been completed. Defendants continued to make distributions to one or more of the GW Entities until all the Token investment proceeds had been distributed to one or more of the GW Entities even though the Giga Watt Project was never completed.

60. Defendants made no effort to notify the Token Holders that they intended to distribute or were distributing the Token investment proceeds in a manner that was inconsistent with the White Paper's and Cryptonomos website's terms and conditions.

61. Defendants' conduct, when considering the representations they knew were made by the GW Entities and Cryptonomos, had the capacity to deceive a substantial portion of the public because members of the public expect and trust that attorneys and law firms that are regulated by a state bar association, licensed to practice law, and exempt from registering as an escrow agent, will only distribute monies that are entrusted to their care to be held in escrow will be held and distributed in accordance with the applicable escrow instructions.

62. Defendants' unfair or deceptive acts occurred in the conduct of trade or commerce (i.e., in connection with the marketing and presale of investment

Exhibit A

BLOOD HURST & O' REARDON, LLP

opportunities and in holding and distributing the investment monies that they have agreed to hold in escrow).

63. Defendants' unfair or deceptive acts and practices concerning the marketing and presale of Tokens during the ITO and in holding and distributing the Token investment proceeds adversely affected the public interest because the public relies on lawyers and law firms, especially law firms like Perkins that have a reputation for being a long-time respected institution; and attorneys like Ness, who is identified as a Perkins partner with an advertised reputation for dealings in the cryptocurrency industry, to act consistent with the fiduciary duties they undertake when acting as an escrow agent, to-wit: to handle money that is placed in their capable hands in escrow to distribute that money in accordance with the escrow instructions. The public's reliance is reasonable because law firms and lawyers are regulated by a state bar association, they are licensed to practice law, and are exempt from escrow agent registration and bonding requirements.

64. Members of the public other than the Token Holders have the capacity to be just as deceived and injured as the Plaintiffs and other members of the Class were in this case if Defendants act like they did toward the Token Holders.

65. Plaintiffs and the other members of the Class have been injured as a direct and proximate result of Perkins' and Ness' violations of the WCPA.

66. Plaintiffs and the other members of the Class have suffered and incurred actual compensatory damages to be determined at trial that results directly and proximately from Defendants' WCPA violations.

67. Plaintiffs and the other members of the Class are "persons" as defined in RCW 19.86.010.

Exhibit A

replaces "Perkins
and Ness"

68. Plaintiffs and the other members of the Class are entitled to remedy Defendants' WCPA violations.

69. Plaintiffs and the other members of the Class seek compensatory damages, statutory damages, exemplary damages, interest, and attorney's fees and costs as well as all other appropriate legal and equitable relief and remedies the WCPA allows.

replaces "Ness and
each Perkins
Defendants"

COUNT V

Violation of Washington's Escrow Agent Registration Act RCW 18.44 ch. **(Against All Defendants)**

73. Plaintiffs incorporate by reference and reallege the allegations elsewhere in this First Amended Complaint as if fully set forth herein.

74. Defendants were responsible for accepting the Token investment proceeds ("Perkins Escrow Defendants") and were an "Escrow Agent" as that term is defined in the Washington Escrow Agent Registration Act ("WEARA"), RCW 18.44.011(8).

75. Defendants all agreed the Token investment proceeds were to be held in "Escrow" as that term is defined in the WEARA, RCW 18.44.011(7).

76. Defendants knew the escrow instructions that controlled how they were to handle the Token investment proceeds were the instructions in the White Paper and on the Cryptonomos website.

syntax change

77. Defendants that were not a Perkins Escrow Defendant were each a controlling person, officer, or designated officer for the Perkins Escrow Defendants' escrow business for this transaction, or other person subject to the WEARA.

78. RCW 18.44.301(2) prohibits Defendants from "[d]irectly or indirectly engag[ing] in any unfair or deceptive practices toward any person."

Exhibit A

BLOOD HURST & O' REARDON, LLP

replaces "Perkins
and Ness"

replaces "in an amount that exceeds
\$10Million, plus interest"

79. For the reasons described in this First Amended Complaint, Defendants engaged in unfair or deceptive practices towards Plaintiffs and the other members of the Class.

80. Plaintiffs and the other members of the Class have suffered damages in an amount to be determined at trial, that was directly and proximately caused by the Perkins Escrow Defendants and Ness engaging in the unfair or deceptive practices alleged in this Complaint that were prohibited by the WEARA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief in interim orders and by way of entry of final judgment in their favor, in favor of those Plaintiff Blomquist seeks to represent, and against Defendants:

A. Declaring that this action is a proper class action, certifying the Class as requested herein, designating Plaintiff Blomquist as the Class Representative, and appointing the undersigned counsel as Class Counsel.

B. Ordering Defendants to pay actual damages to Plaintiffs and the Class Members.

C. Ordering Defendants to pay exemplary or punitive damages, as allowable by law, to Plaintiffs and the Class Members.

D. Ordering Defendants to pay statutory damages, as allowable by the statutes asserted herein, to Plaintiffs and the Class Members.

E. Ordering Defendants to pay attorneys' fees and litigation costs to Plaintiffs and the Class Members.

F. Ordering Defendants to pay both pre- and post-judgment interest on any amounts awarded.

G. Ordering such other and further equitable, injunctive, or legal relief as may be just and proper.

Exhibit A

BLOOD HURST & O' REARDON, LLP

BLOOD HURST & O' REARDON, LLP

JURY TRIAL DEMAND

Plaintiffs demand a trial by jury for all the claims asserted in this First Amended Complaint so triable.

Respectfully submitted,

Dated: September 13, 2023

WESTERN WASHINGTON LAW
GROUP PLLC
DENNIS J. MCGLOTHIN (#28177)
ROBERT J. CADRANELL (41773)

By: s/ Dennis J. McGlothlin
DENNIS J. MCGLOTHIN

P.O. Box 468
Snohomish, WA 98291
Tel: 425/728-7296, ext. 4
dennis@westwalaw.com
robert@westwalaw.com
docs@westwalaw.com

BLOOD HURST & O'REARDON, LLP
TIMOTHY G. BLOOD (*pro hac vice*)
THOMAS J. O'REARDON II
(*pro hac vice*)
PAULA R. BROWN (254142)
501 West Broadway, Suite 1490
San Diego, CA 92101
Tel: 619/338-1100
619/338-1101 (fax)
tblood@bholaw.com
toreardon@bholaw.com
pbrown@bholaw.com

Attorneys for Plaintiff

Exhibit A